


Memorandum JAN 14 PM 12:15OFFICE OF THE SECRETARY
FEDERAL MARITIME COMM

TO : Bryant L. VanBrakle, Secretary DATE: January 12, 2004

FROM : Rebecca F. Dye, Commissioner 

SUBJECT : Petition Numbers P3-03, P5-03, P7-03, P8-03 and P9-03.

On January 12, 2004, I met with Mr. Stan Sher of the law firm Sher & Blackwell as well as Mr. Chris Koch and Mr. Robert Blair of the World Shipping Council at their request to receive their views on the above referenced petitions to the Federal Maritime Commission (FMC). The five petitions request that the Commission take various actions regarding non-vessel operating common carriers (NVOCCs), service contracts, and tariff publication. Ed Lee, my counsel, was also present at the meeting. The World Shipping Council is a non-profit association of over forty international ocean carriers.

Mr. Koch, President of the World Shipping Council, expressed his view that the above referenced petitions would bring about substantial changes in U.S. shipping policy. Mr. Sher reported that he strongly believes that the Commission needs to develop a factual record before acting on the petitions. He does not believe that the petitioners have given the Commission enough evidence to warrant these substantial changes in the Shipping Act of 1984.

Mr. Koch expressed his view that the current regulatory system has not harmed the business of NVOCCs. He stated that many NVOCCs have experienced strong corporate growth during the last several years and that none of the petitioners have given the Commission a factual basis to prove their businesses have been harmed. Mr. Sher also noted that the UPS and BAX Global petitions would give a competitive advantage to large NVOCCs over their smaller competitors.